

Message Text

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DRAFTED BY: ARA:NC:TWSONANDRES

APPROVED BY: ARA/NC-MR DEVINE

ARA/NE-MR DEVINE

EB/FSE-MR CREEKMORE (DRAFT)

LA/ARA-MR GANTZ

TREASURY-MR BOWEN (PHONE)

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O 132234Z FEB 75

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS IMMEDIATE

INFO AMEMBASSY MEXICO IMMEDIATE

C O N F I D E N T I A L STATE 033713

E.O. 11652: GDS

TAGS: BDIS, OTRA, US, VE

SUBJECT: REQUEST FROM US CUSTOMS TO CONDUCT BRIEFING AND
INFORMAL INQUIRY IN VENEZUELA ON VEN-FUEL
AND FUELCO

REF: A) CARACAS 950; B) MEXICO 683

1. DEPARTMENT (L/ARA ASSISTANT LEGAL ADVISER AND VENE-
ZUELAN DESK OFFICER) MET FEBRUARY 7 WITH US CUSTOMS
SERVICE OFFICIALS TO DISCUSS PROPOSED TRIP (REFTEL A) AND
NOW HAS FEBRUARY 10 LETTER FROM US CUSTOMS SERVICE SPECIFY-
ING DETAILS (COPIES BEING POUCHED CARACAS AND MEXICO CITY).

2. PROPOSED TRIP HAS TWO PURPOSES: INFORMALLY TO BRIEF
CONCERNED GOV OFFICIALS ON STATUS INVESTIGATION AND TO
DETERMINE FROM GOV AND SHELL, AGAIN ON INFORMAL BASIS,
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TRUE COST OF PRODUCTS IMPORTED INTO UNITED STATES. WITH

REGARD TO FORMER, DEPARTMENT INFORMED THAT CUSTOMS WOULD DISCUSS ASPECTS OF CASE INCLUDING ITS INTEREST IN DETERMINING IF VENEZUELAN TAXES AND ROYALTIES WERE PAID TO GOV AS REPRESENTED BY COMPANIES IMPORTING PETROLEUM INTO US, AND CURRENT STAGE OF INVESTIGATION. BRIEFING WOULD, INTER ALIA, ASSIST GOV OFFICIALS IN DETERMINING WHETHER ANY PROVISIONS OF VENEZUELAN LAW HAVE BEEN VIOLATED.

3. LATTER PURPOSE ENTAILS OBTAINING DETAILED INFORMATION

ON VENEZUELAN PETROLEUM TAX SYSTEM, NATURE OF CVP AND ITS RELATIONSHIP WITH FUELCO, VEN-FUEL, AND OTHER FIRMS, AND TAX INFORMATION ON COMPANIA SHELL DE VENEZUELA AND SHELL CURACAO, N.V. IF POSSIBLE, US CUSTOMS WOULD SOLICIT COPIES OF CORRESPONDENCE AND CONTRACTS BETWEEN CVP AND CERTAIN US-BASED FIRMS AND SEEK ON-SITE EXAMINATION OF SHORE TANK STORAGE RECORDS OF SHELL DE VENEZUELA AND SHIPPING DOCUMENTS OF SHELL AND CVP.

4. TRIP WOULD BE MADE BY ASSISTANT U.S. CUSTOMS ATTACHE JOSEPH EWING OF MEXICO CITY WHO SPEAKS SPANISH AND SPECIAL AGENT CHARLES INMAN OF JACKSONVILLE. THEY PLAN TO VISIT CARACAS FIRST, IF POSSIBLE WITHIN THE NEXT FEW DAYS, FOLLOWED BY TRIP TO CURACAO. IN VENEZUELA, CUSTOMS OFFICIALS FIRST PROPOSE TO EXHAUST MATERIAL AND INFORMATION AVAILABLE IN EMBASSY, THEN, WITH CONCURRENCE EMBASSY, APPROACH SHELL AND/OR GOV OFFICIALS.

5. DEPARTMENT BELIEVES VISIT, UNDER ABOVE CONDITIONS, WOULD CONTRIBUTE TO GOV UNDERSTANDING OF PROCEEDINGS AS WELL AS TO MOVING CASE TOWARD COMPLETION. WE REALIZE GOV MAY BE RELUCTANT TO COOPERATE GIVEN BACKGROUND OF CASE TO DATE, BUT BELIEVE IDEA CAN BE SOLD TO GOV IF BILLED AS BRIEFING AS WELL AS INFORMATION-GATHERING MISSION. CUSTOMS OFFICIALS HAVE ASSURED US THAT SUBJECT TO CERTAIN LEGAL CONSTRAINTS THEY ARE PREPARED TO DISCUSS CASE WITH GOV TO FULLEST EXTENT POSSIBLE AND TO KEEP GOV ADVISED OF DEVELOPMENTS PERTINENT TO VENEZUELA.

6. ACTION REQUESTED: UNLESS EMBASSY HAS OBJECTIONS,
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EMBASSY OFFICIALS REQUESTED TO DISCUSS MATTER WITH APPROPRIATE GOV OFFICIALS FOR PURPOSE OF OBTAINING THEIR CONCURRENCE. INGERSOLL

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